

**UNITED STATES ATTORNEY'S OFFICE  
District of Oregon**



**PRESS ROOM**

June 5, 2008

**Oregon Corporation and its President Sentenced for  
Hazardous Waste Violations**

*Former Engineer Indicted for Obstruction of Justice*

Portland, Ore. – Spencer Environmental Incorporated (SEI) and its president, Donald M. Spencer, were sentenced today by U.S. District Court Judge Ancer L. Haggerty to 6 months in prison and one year of supervised release after Spencer admitted to three felony violations of hazardous waste laws of the Resource Conservation and Recovery Act (RCRA) in October 2007. The court sentenced SEI today to pay \$150,000. Of this amount, \$75,000 will fund various environmental projects in Oregon administered by the congressionally established National Fish and Wildlife Fund (NFWF) through the Oregon Governor's Fund for the Environment.

U.S. Attorney Karin J. Immergut said, "We hope that a prison sentence for a company president will deter other companies from violating our environmental laws. The U.S. Attorney's Office here in Oregon has made the investigation and prosecution of environmental crimes a top priority. Oregonians care deeply about the environment, and my office will continue to pursue cases against those individuals and companies who flagrantly disregard environmental laws."

"By deliberately concealing his illegal handling of used oil and thousands of gallons of hazardous waste, Don Spencer and his company broke the law and harmed the environment," said Scott West, Special Agent in Charge for U.S. EPA's Criminal Investigation Division in Seattle. "Criminal prosecutions like this one should send a clear message: we are committed to protecting Oregon's environment and promoting fair business practices."

The case arose from an investigation into a fire at SEI's former facility. SEI was an Oregon corporation that operated a recycling and wastewater treatment facility located in Portland. SEI contracted with industrial companies to collect and recycle material including used oil and antifreeze, and to collect, treat and dispose of wastewater. Spencer was the founder and president of SEI. As president, Spencer had the authority to exercise control over every aspect of the handling of waste and used oil at SEI's Foster Road plant.

RCRA, in addition to regulating hazardous waste, establishes standards for handling used oil that are designed to minimize the risk of fire and release of used oil into the environment. Between April 2000 and June 2003, employees at the SEI Foster Road plant

repeatedly violated the RCRA standards for handling used oil by routinely spilling used oil, overfilling a waste pit used for oily waste, and failing to properly clean up spills when they occurred. This resulted in the release of used oil outside the Foster Road plant, including at least one spill that spread to a storage facility occupied by an appliance retail company next door to the plant. Following the sale of SEI's facility, a fire broke out when a welding spark touched off used oil residue in a pit and quickly spread to other oil-soaked parts of the facility, largely destroying the facility and leading to the contamination of Johnson Creek, a tributary of the Willamette River known to contain threatened salmonids.

In a related matter, SEI's former engineer, Durbin Hartel, was indicted yesterday by a federal grand jury for obstruction of justice and lying to investigators. The indictment charges Hartel with covering up the investigation into a worker's death at SEI's facility. Timothy Smith, a summer employee of SEI, was told to pressure wash a 10,000 gallon wastewater tank. Following the cleaning, Smith suffered lung damage that progressed and ultimately resulted in his death. Hartel allegedly caused the wastewater tank to be filled with a viscous sludge or rocker lube to conceal its former contents. Attempts to determine what substance caused Smith's injury were thwarted by the wastewater tank having been filled. When Oregon Department of Environmental Quality and Oregon Occupational Safety and Health Division investigators interviewed Hartel, he denied any knowledge the tank had been filled with sludge despite having allegedly ordered an SEI worker to fill the tank.

The pending indictment against Hartel is only an allegation and not evidence of guilt. He is presumed to be innocent unless and until proven guilty.

The case was investigated by the Environmental Protection Agency's Criminal Investigation Division; the Oregon Department of Environmental Quality; the Oregon Occupational Safety and Health Division; and prosecuted by Trial Attorney J. Ronald Sutcliffe of the Justice Department's Environmental Crimes Section and Assistant U.S. Attorney Dwight C. Holton for the District of Oregon.